

- Pallets containing the drug-laden cartons usually have different numbers or they are marked in some fashion to distinguish them from the legitimate commercial cargo cartons. The markings may include a small spot on a pallet or carton, wider metal banding, completely different cargo lot numbers, or differences in the shading within a number or picture. For example, the image of a woman was stamped on all the cartons of one shipment, but the boxes containing the heroin were identified by the shading in one eye of the woman's image.
- Typically, containers are insured by the designated facilitator for more than the actual value of the commercial cargo—as much as between 5 and 10 times the value. Overvaluing the cargo, like using seafood and other perishables, may be a method of discouraging thorough inspections by law enforcement authorities.
- In many cases, heroin shipments will transit a secondary port prior to shipment to the final destination. For example, heroin produced within the Golden Triangle may be shipped to secondary ports in Taiwan, China, Hong Kong, Malaysia, Singapore, Tokyo, or South Korea, where a new bill of lading will be issued, or the original one will be altered, to indicate that the cargo originated somewhere other than the Golden Triangle.
- The Port of Guangzhou in southern China plays a significant role in smuggling SEA heroin within containerized cargo. Since much of the legitimate commercial cargo manufactured in the five economic zones within China is shipped to international markets via Guangzhou, the vast amount of cargo shipped from Guangzhou affords SEA heroin traffickers many opportunities to conceal heroin in commercial cargo shipments.

## CONCLUSION

No significant seizures of containerized SEA heroin destined for the United States have occurred recently in Southeast Asia. However, recent seizures by the Royal Canadian Mounted Police (RCMP) of SEA heroin concealed within containerized cargo indicate that SEA heroin traffickers continue to utilize this smuggling method. For example, in late February 1999, Canadian customs officials seized 43 kilograms of SEA heroin in Vancouver. In September 2000, the RCMP seized approximately 57 kilograms of SEA heroin from a container shipped from Guangzhou. In 1997 and 1998, at least three additional containerized shipments of heroin were also seized in Canada. Since the mid-1990s, SEA heroin traffickers have been smuggling heroin within containerized cargo to Canada rather than directly to the United States. Once in Canada, the heroin is divided into smaller quantities and smuggled across the border into the United States.

Because of the huge volume of worldwide commercial trade and the necessity of containerized cargo shipping, SEA heroin traffickers will continue to employ this highly successful smuggling method.

## SOUTHEAST ASIAN HEROIN SMUGGLING METHODS: CONTAINERIZED CARGO

### INTRODUCTION

Southeast Asian (SEA) heroin traffickers have been operating and conducting drug activity in Southeast Asia for centuries. Typically, these organizations control the cultivation and production levels. They regulate prices, materials, and procedures, allowing for only a small degree of flexibility. At the wholesale level, however, the trafficking process becomes fluid and diversified, and can involve any number of smuggling groups and brokers. Brokers will often have close connections with a particular producer while also arranging transactions with rival producers. Instead of maintaining continuing relationships with the same group every time, SEA heroin traffickers form limited partnerships with different individuals or groups for the purpose of executing specific drug transactions. These procedures ensure business flexibility as well as protection. One of many ways SEA heroin traffickers smuggle bulk quantities of SEA heroin to international markets is by the use of commercial containerized cargo. Heroin processed in the Golden Triangle (Burma, Laos, and Thailand) is smuggled overland to seaports in Burma, China, Thailand, Malaysia, and Vietnam for transshipment within containerized cargo through Taiwan, Hong Kong, Singapore, Japan, and Korea. From these transit countries in Southeast Asia, the heroin-laden containers are shipped to consumer markets in Europe, Australia, Canada, and the United States. Although no significant seizures of SEA heroin involving containerized cargo have occurred in the United States in recent years, SEA heroin trafficking groups continue to use this highly successful smuggling method, evidenced by large heroin seizures in Thailand, Fiji, and Canada in 2000.

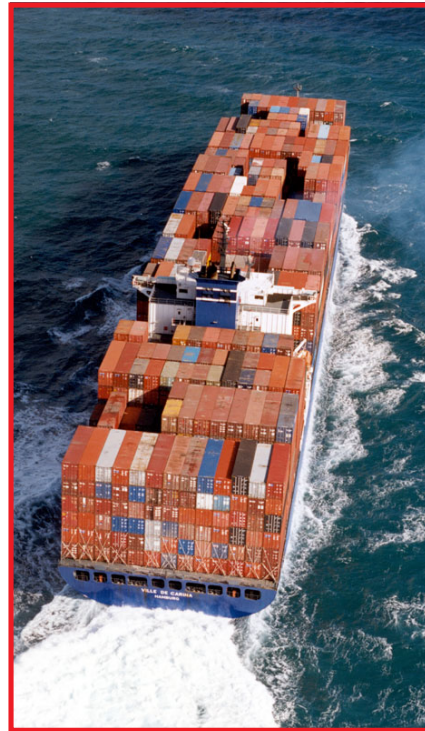


Many similar characteristics exist among the containerized smuggling methods used by SEA heroin trafficking groups; however, not all of the characteristics are applicable to every instance of containerized smuggling by SEA heroin traffickers. The characteristics that follow were identified from law enforcement information.

### CHARACTERISTICS OF CONTAINERIZED SMUGGLING METHODS

- Import/export companies or warehouses may be established or rented within the source and transit countries and/or the United States for the sole purpose of smuggling and storing drugs. Although SEA heroin traffickers frequently change the





**Photo upper left: Containerized cargo port**  
**Photo lower left: Shrink pallets contained secreted heroin**  
**Photo right: Containerized cargo ship**

names of the front companies, they maintain the same addresses, telephone numbers, and facsimile numbers. These front companies are usually established by an individual who has been designated by a broker to conceal the drugs within the commercial cargo and to facilitate the movement of the cargo from Southeast Asia to the consumer. The front companies will exist as long as the facilitator believes the companies have not been compromised in any way. The broker may be one individual or a number of investors or shareholders in the drug shipment. The broker may have more than one individual or group (unknown to each other) facilitating the smuggling of the heroin. In other words, a broker may have several pipelines funneling drugs for the trafficking group at the same time.

- Typically, one entire 20-foot or 40-foot container is leased by the facilitator and filled with only one commodity, usually a low-cost item, such as plastic bags, soy sauce, canned goods, wood products, rubber tires, bulk rubber, seafood, perishables, computer parts, T-shirts, chopsticks, or machinery. The commodity is usually purchased from one company. As a rule, commercial cargo from another company is not allowed to be included in the shipment. The front companies established for smuggling the heroin usually do not have a ready market to sell or dispose of the commodity filling the container. On several occasions, law enforcement authorities discovered large quantities of commercial cargo stored in warehouses from previous smuggling ventures.
- Usually the commodity is packed in cardboard cartons of uniform size and weight and stacked on pallets. The heroin organization's facilitator places the cartons



**Pallet of heroin secreted within cartons of plastic bags**



**Half-unit blocks of compressed SEA heroin**

containing the heroin deep within the container. Placement of the heroin within the container can vary; there may be only one pallet that contains all the cartons of heroin, or single cartons of heroin may be placed among the individual cartons of the commodity. Usually less than 10 cartons of heroin are concealed within 600 to 1,800 cartons of the commercial cargo. Actual methods of concealment of the heroin within the cartons also vary. For example, the heroin may be placed in cans that are weighted the same as canned commodities, or the heroin may be configured to the shape of the items in the cartons.

- SEA heroin traffickers typically deal in 700-gram units, in contrast with South American, Mexican, and Southwest Asian heroin traffickers, who traffic in kilogram quantities. SEA heroin #4, when produced in refineries in Southeast Asia, is usually packaged in half-unit blocks (350 grams per block) of compressed powder. These rectangular compressed blocks measure 5 inches by 4 inches by 1 inch.
- Occasionally, SEA heroin traffickers attempt to correct weight discrepancies by introducing lead weights to compensate for the weight differential; these attempts are not always successful. For example, one seizure of heroin occurred because authorities noticed a weight discrepancy between ceramic tiles and the replicated plastic tiles concealing the heroin.



**Five units of SEA heroin secreted within bundles of shop towels**



**Bags of powdered heroin and half-unit blocks of SEA heroin**